



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

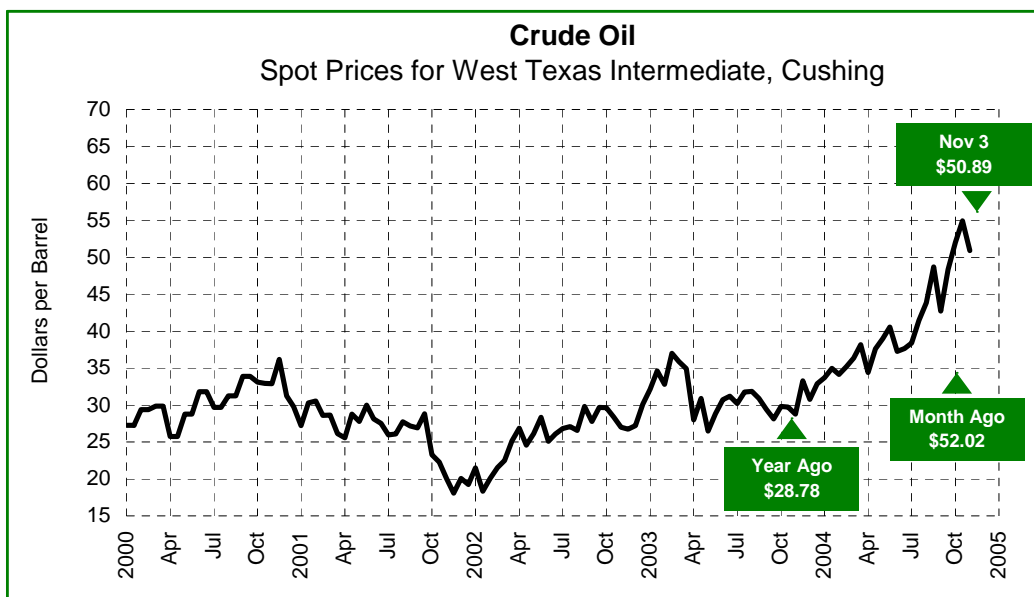
November 4, 2004

Crude Oil

On November 3, crude oil futures on the NYMEX settled at \$50.89 per barrel. Crude oil prices have remained in the \$50 per barrel range since Oct. 4.

Crude Oil - Spot Price (dollars per barrel)					
WTI	11-03-04	10-06-04	change	11-05-03	change
	\$50.89	\$52.02	down 2%	\$28.78	up 77%

- On November 3, crude oil futures on the NYMEX settled lower at \$50.89 per barrel in response to a larger-than-expected increase in crude oil supplies that helped calm concerns of a potential shortfall of heating oil this winter.
- U.S. oil and gas production continues its slow recovery following Hurricane Ivan. As of November 2, the U.S. Minerals Management Service reported that oil production in the Gulf of Mexico continued to improve, hitting 87.15 percent of the normal 1.7 million barrel per day level as more production was restored.



- The EIA weekly petroleum report for the week ending October 15 estimated U.S. commercial crude oil stocks were up 6.3 million barrels but down by just 2.2 million barrels compared to this time last year due to the recent recovery of oil production in the Gulf Coast region.

- With total inventories now at an estimated 289.7 million barrels, U.S. commercial crude oil supplies are well within the 5-year supply range for this time of year, according to the EIA.
- U.S. refiner utilization rates continue to lag at less than 90 percent of U.S. capacity. Refinery rates rose 0.2 percent to 89.4 percent as more refineries resume normal operations following Hurricane Ivan and the completion of scheduled fall season maintenance.

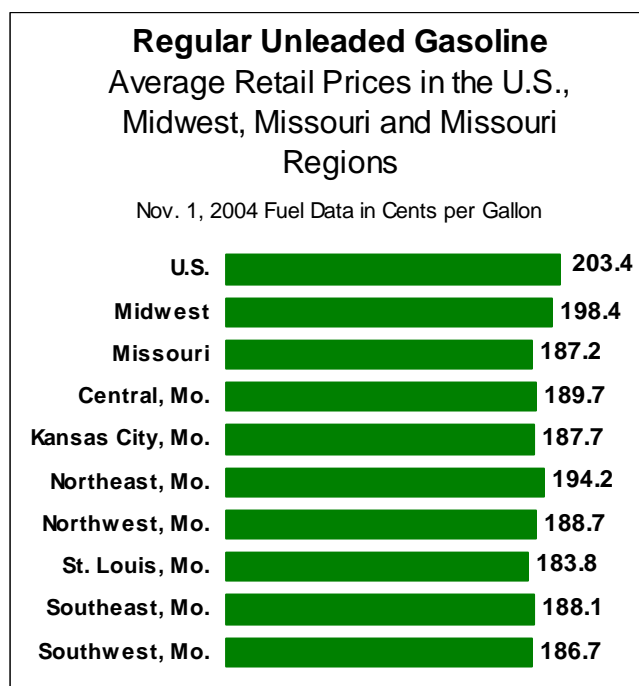
Transportation Fuels

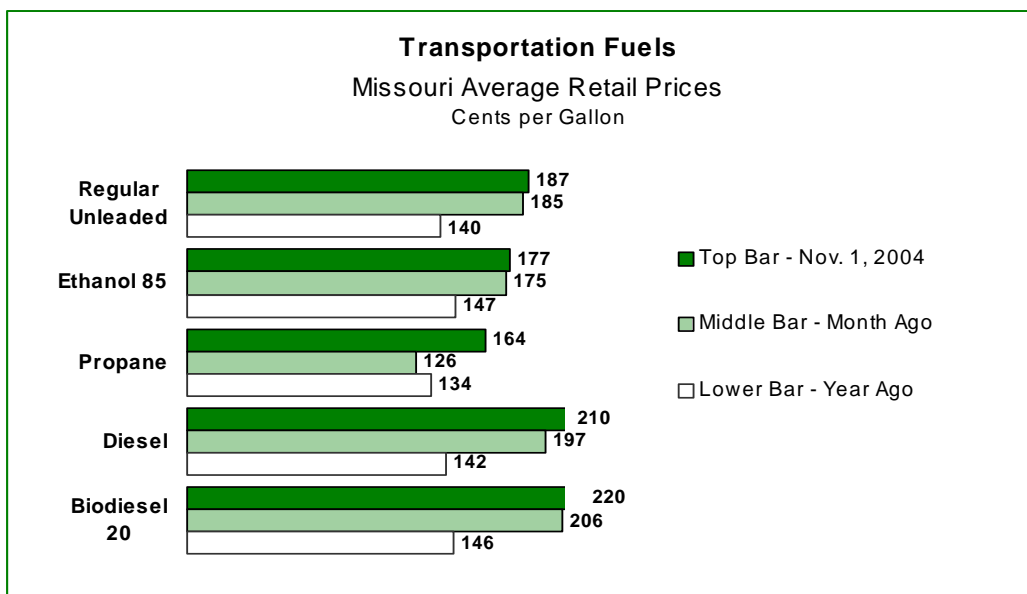
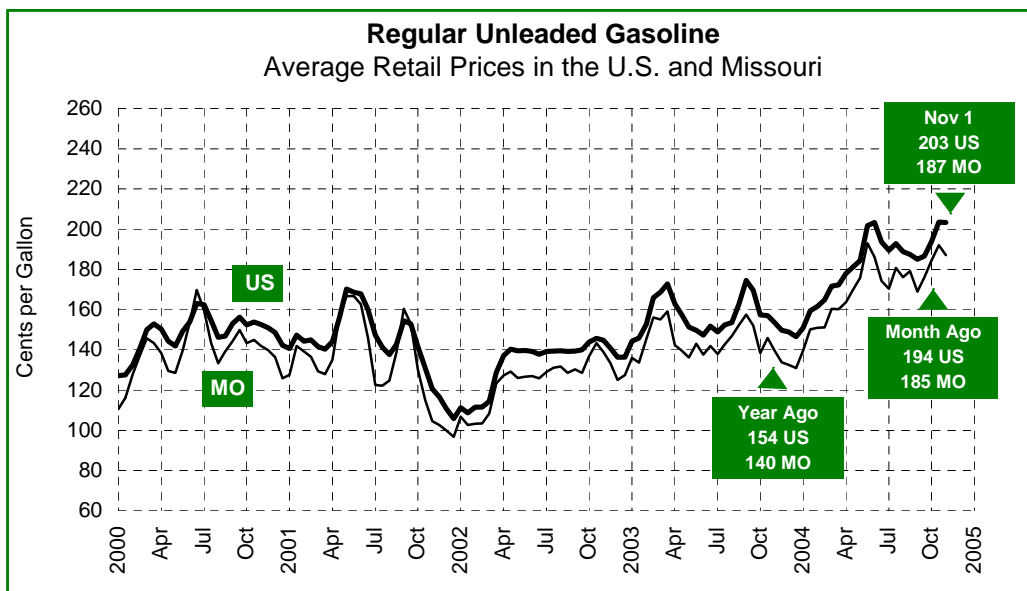
Missouri's average retail price for regular gasoline increased 2 cents per gallon from the previous month to reach \$1.87 per gallon. Prices fell 5 cents per gallon during the last two weeks, down from \$1.92 per gallon on Oct. 18.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>11-01-04</u>	<u>10-04-04</u>	<u>change</u>	<u>11-03-03</u>	<u>change</u>
US	203	194	up 5%	154	up 33%
Missouri	187	185	up 1%	140	up 34%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>11-01-04</u>	<u>10-04-04</u>	<u>change</u>	<u>11-03-03</u>	<u>change</u>
Missouri	210	197	up 7%	142	up 48%

- Over the last year, Missouri's average retail gasoline prices have increased 34 percent, climbing from 140 cents per gallon to 187 cents per gallon. During the last month, Missouri retail prices have increased by 2 cents per gallon, or 1 percent, in response to the rising price trends of both crude oil and gasoline prices at the NYMEX. Missouri motor gasoline retail prices peaked at nearly \$2 per gallon on May 17. Retail prices are expected to remain strong based on the strength of current crude oil prices.





<i>Motor Gasoline - Total Stocks (millions of barrels)</i>					
	<u>10-29-04</u>	<u>10-01-04</u>	<u>change</u>	<u>10-31-03</u>	<u>change</u>
US	201.7	199.4	up 1%	191.3	up 5%

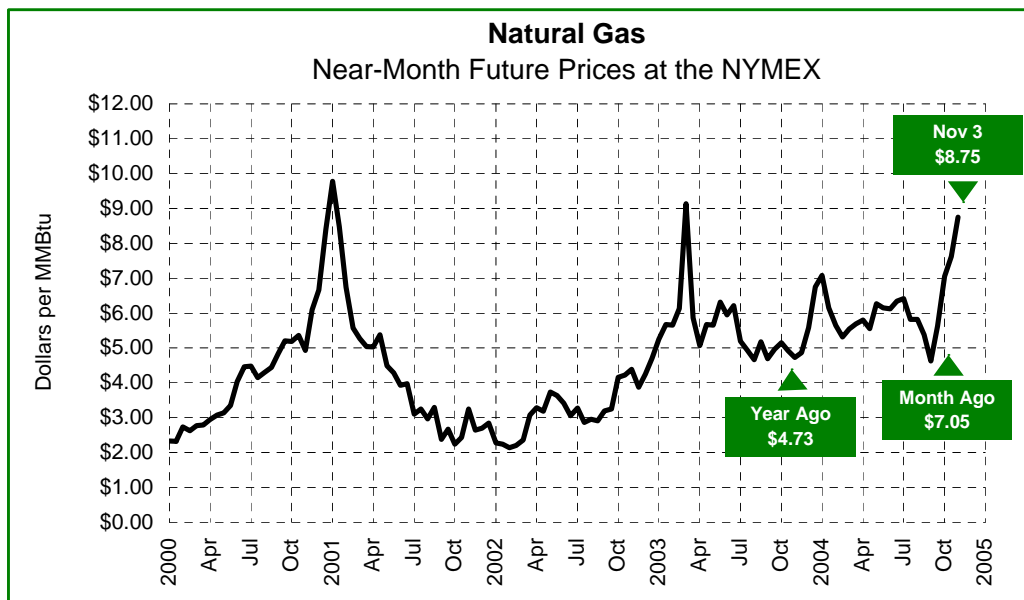
- U.S. gasoline supplies for the week ending Oct. 29 increased by 0.5 million barrels from the previous week, placing them at 201.7 million barrels, well within the 5-year average for this time of year and 10.4 million barrels higher than last year at this time. U.S. gasoline supplies increased due to higher refinery operations, an increase in tanker ship deliveries of gasoline and flat consumer demand. Midwest gasoline supplies improved by 0.2 million barrels, moving from 48.2 million barrels on Oct. 22 to 48.4 million barrels on Oct. 29.
- U.S. gasoline production was estimated at 8.7 million barrels per day as of Oct. 29 and unchanged from the previous week. Imports contributed an additional 0.7 million barrels per day, down about 0.2 million barrels from the previous week.

Natural Gas

Approximately 56 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Nov. 3, natural gas futures closed at \$8.75 MMBtu, an increase of \$1.70 per MMBtu since last month and \$4.02 higher than last year, an increase of 85 percent.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	11-03-04	10-06-04	change	11-05-03	change
NYMEX	\$8.75	\$7.05	up 24%	\$4.73	up 85%



- Working gas in storage was 3,293 Bcf as of Friday, October 29, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is 239 Bcf, or 7.8 percent, higher than the 5-year average for the report week. At 3,293 Bcf, working gas in storage is at the highest level ever recorded in the almost 11 years in the EIA's Weekly Natural Gas in Storage database. The implied net injection during the report week was 44 Bcf, which is more than three times larger than the 5-year average net addition of 14 Bcf for the week and 10 Bcf more than the injection of 34 Bcf reported for the same week last year. The larger-than-normal net additions were due to mild temperatures throughout the U.S. and improved Gulf region production.
- EIA projects that Midwest households may see their average winter heating bills increase by 15 percent based on natural gas prices that are expected to be 11 percent higher than last year.

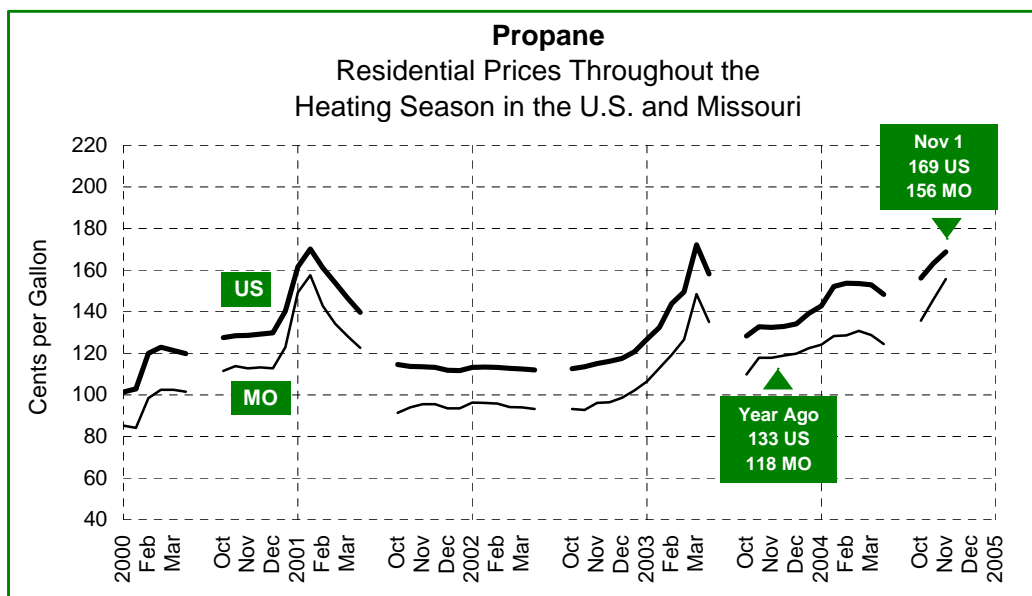
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.56 per gallon on November 1, an increase of 15 percent from a month ago and 32 percent from a year ago.

Propane - Residential Prices (cents per gallon)					
	<u>11-01-04</u>	<u>10-04-04</u>	<u>change</u>	<u>11-03-03</u>	<u>change</u>
Missouri	156	136	up 15%	118	up 32%

- U.S. supplies of propane posted a decline of 0.8 million barrels, placing supplies at an estimated 67.5 million barrels as of Oct. 29. The Midwest experienced a fourth consecutive weekly decline in propane supplies, falling 0.4 million barrels to 22.5 million barrels as of Oct. 29. Supplies of propane are 0.9 million barrels lower in the Midwest compared to the same period last year. Due to milder temperatures, the decline was reportedly due in part to agricultural demand for crop drying.
- NYMEX propane future prices settled at \$0.88 per gallon on Nov. 2 compared to \$0.53 this time last year (Nov. 3, 2003). Sustained crude oil prices above \$40 per barrel (the spot price for West Texas Intermediate crude oil has closed above \$40 per barrel every trading day since July 14) and more recently topping \$50 per barrel, continue to support higher propane prices.
- EIA projects that Midwest households may see their winter heating bills increase by 21 percent over last winter, based on an average price of \$1.53 per gallon over the winter heating months with an average consumption of 914 gallons.



Energy Bulletin Update

The Energy Bulletin has an e-mail advisory service that includes an email and a direct link to the Bulletin on our web page rather than an email attachment. This service will allow our readers to have easy and timely access to a newly designed Missouri Energy Bulletin that includes easier to read summaries of price and supply information as well as colored charts and graphs. To register for this distribution service, please visit <http://www.dnr.mo.gov/energy/transportation/e-bulletin.htm>.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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